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ABSTRACT

Recent public interest in the unique financial problems of private higher education has resulted in proposals and legislation for state support of independent institutions. Although public assistance alleviates the private colleges' financial problems, it also obligates them to increase state supervision of their activities. Several state boards and independent associations believe the private sector's problems warrant special concern and action. Reflecting this view, the reports and position papers listed in this bibliography generally agree on the necessity for state funding of private higher education. They affirm the importance of maintaining an independent sector and of a state's special responsibility for all higher education institutions within its borders. These convictions are supported by proposals for both student and institutional assistance. Beyond funding, there remains the question of the long-range impact these proposals will have, if implemented, on the distinctive qualities of the private institutions. (Author/HS)

State Aid to Private Higher Education

Carol H. Shulman

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Foreword

Recent public interest in the unique financial problems of private higher education has resulted in proposals and legislation for state support of independent institutions. Although public assistance alleviates the private colleges' financial problems, it also obligates them to increased state supervision of their activities. This review of recent literature examines plans for new forms of state aid to the independent sector and the state's interest in aiding private colleges. An appendix listing current state programs for private institutions is also included.

This report was prepared by Carol Herrnstadt Shulman, Research Associate at the Clearinghouse. The author wishes to thank Richard M. Millard, Director of Higher Education Services, Education Commission of the States, and his staff for permission to reprint the chart included in the appendix, and Eldon T. Smith, Executive Secretary, National Council of Independent Colleges and Universities, who provided updated information on state legislation.

This is the third in a new series of Clearinghouse reports to be published by the American Association for Higher Education (AAHE). In addition to the report series, the Clearinghouse also prepares brief reviews on topical problems in higher education that are distributed by AAHE as *Research Currents*.

Carl J. Lange
ERIC Clearinghouse on Higher Education
June 1972

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Review

State legislatures are responding to private higher education's requests for new forms of assistance to meet a deepening financial crisis. A recent survey shows that 31 of the 50 states have funded one or more programs of aid to private colleges,[1] while other state and independent proposals await implementation.

Both the public and private sectors face common, well-documented financial difficulties caused by the nature of the higher education industry,[2] but private institutions assert that their problems are more severe. It is generally acknowledged that private institutions' dependence on tuition as their major source of income coupled to their one-sided competition with low-cost public institutions creates distinct financial problems. Several state boards and independent associations believe the private sector's problems warrant special concern and action.

Reflecting this view, the reports and position papers listed in this bibliography generally agree on the necessity for state funding of private higher education. They affirm the importance of maintaining an independent sector and of a state's special responsibility for all higher education institutions within its borders. These convictions are supported by proposals for both student and institutional assistance. Beyond funding, there remains the question of the long-range impact these proposals will have, if implemented, on the distinctive qualities of the private institutions.

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[1] Table 1, p. 22.

[2] For example, see Cheit, Earl F. *The New Depression in Higher Education.* A Study of Financial Conditions at 41 Colleges and Universities. A Carnegie Commission Report. New York: McGraw-Hill, 1971.

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The State's Interest in Private Higher Education

Private institutions contend that the states have an interest in their continued well-being because they are an important component of the total statewide system of higher education, for which the states are primarily responsible. Like the state-funded institutions, they promote a public good (10, 12, 18, 19, 20):

> The [public and private] sectors share a basic similarity of function and role. Through them, the citizens of [Illinois] enjoy a wide choice of educational opportunities. Each sector has contributed to the diversity, strength, and improvement of higher education in Illinois. Each has complemented the other in meeting the needs of the people of the state (19).

The private institutions also serve state interests because their scattered geographical locations can make higher education more accessible to all state residents (10, 18, 19, 20). Further, the states may find it a sounder educational policy not to develop large state centers but to distribute students in institutions around the state (10,20).

While they consider themselves part of the total system, private institutions declare that their autonomy provides a positive balance to publicly controlled colleges in terms of diversity in institutional goals, innovations, institutional size, and political control (2, 12, 18, 19, 20). The Carnegie Commission notes that the differences between the private and public sector have diminished, but still finds the private sector adds a unique dimension to the total educational system (2).

These educational considerations aside, there are pragmatic financial reasons for public support of private higher education. The public's increasing demand for higher educational opportunities compels every state to respond either by providing additional public facilities, or by making underenrolled private institutions more economically feasible for students to attend. This concern with providing educational opportunity efficiently is at the heart of the state's considerations. Advocates of state aid point out that the private institution route would be less costly to the state than building new facilities and would mean greater efficiency of operation for the private institutions, since their facilities would be fully utilized (12, 13, 15, 18). The Minnesota Higher Education Coordinating Commission considers this argument persuasive:

> It would seem to be economically and socially unwise for the state to impose unprecedented tax burdens to create additional facilities and services which could be provided in existing institutions with a nominal additional expenditure. (10)

If a private institution were to close, writers generally agree that the state would have to absorb its enrollment into the state system. This development would mean greatly increased costs for the state's taxpayers (4, 10, 12, 13, 15, 17, 20), and a loss of the non-tax income—endowment income and gifts—available to the private institutions (12).

The economic importance of private institutions to a state's participation in higher education is demonstrated by Carnegie Commission findings:

> ...the ten states that pay in excess of 10 percent of state and local per capita taxes for higher education have, on the average, more than 86 percent of their total university and college students enrolled in public institutions. On the other hand, the ten states that pay less than 6 percent of per capita state and local taxes for public higher education enroll, on the average, only 60 percent of their total college and university students in public institutions (2).

Methods of Aid

The methods of aid which have been proposed are designed to achieve a variety of ends: to alleviate the burden on state facilities and the taxpayer; to enable the student to chose his college for academic rather than financial criteria; and to assist private institutions in attracting new students and remedying their financial difficulties. The plans are almost invariably limited to state residents.

The reports and Table 1 show that assistance given directly to the student—academic scholarships, loans, and tuition grants—is the most common form of aid; 28 states have adopted this method. But there is some doubt about the efficacy of this approach for providing significant assistance to private institutions in need. One report (3) finds that scholarships do provide an incentive for students to attend private institutions in Illinois, while another study suggests that institutional subsidies based on enrollment would have the same effect (8). States which do not have scholarship programs are advocating this method of aiding

private institutions in the belief that the aid will foster an increase in enrollment.

Yet, there are signs that student assistance alone does not improve private college enrollments to the point where the institutions' financial needs are alleviated.[3] The difference between private and public school tuitions still discourages attendance in the private sector. In a 1968 report on New York State,[4] an independent commission found that the state's student financial aid program, the nation's most ambitious,[5] aided the students but not the private institutions. More recently, New York's independent institutions have proposed comprehensive plans that would require the public institutions to "adopt user charges [to] cover their full educational costs." All students who could afford this tuition would pay in full, while all students needing assistance would receive aid from a greatly increased scholarship program. Among other ends, the private colleges foresee:

> The differential between user charges at public and private institutions will be greatly reduced. The trend of enrollments away from the private to the public institutions because of tuition differentials will cease. (12)

Other states (5, 6, 10, 14, 20) and private higher education associations have recommended similar "tuition-equalization" plans to achieve the same goals, but they stipulate that the amount of student aid granted should not exceed the cost of education at a public institution. One of these plans, Wisconsin's "tuition voucher" plan (6) has been attacked by one writer on the grounds that it may result in an eventual decrease in state support for

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[3] Private colleges and universities enrolled only about 82 percent of their capacity in entering freshmen classes, *Freshmen Class Vacancies in Fall 1971 and Recent Trends in Enrollments of Minority Freshmen,* Report of the Higher Education Panel, Survey 3. April 1972. American Council on Education. The American Association of State Colleges and Universities reports that a survey of its membership found 73 percent of the institutions responding had openings for Fall 1972. About half of its 288 institutions replied. *Higher Education and National Affairs* 21 (April 14, 1972).

[4] *New York State and Private Higher Education.* Report of the Select Committee on the Future of Private and Independent Higher Education in New York State, 1968.

[5] *The Chronicle of Higher Education,* February 7, 1972.

public institutions, may impose an unfair burden on the disadvantaged student, and may result in tuition increases.[6] The Carnegie Commission does not advocate higher public college tuitions to close the private-public gap, but recommends that the states establish a system of tuition grants based on need for both public and private institutions, after which public college tuitions might be raised (2).

In another set of proposals, state aid would be awarded to private institutions through an enrollment formula (1, 8, 10, 11, 13, 15, 17, 19). The formulas are designed not merely to provide the institutions with new sources of revenue, but to reduce the tuition-aid spiral problem: a situation in which an increase in tuition charges necessitates an increase in student aid, while resulting in a decline in enrollment. Consequently, the institution finds that its tuition income becomes a smaller portion of its total institutional income.[7]

The formulas require that a considerable percentage of the aid received be remitted to the student as financial assistance. The North Carolina Board of Higher Education's explanation for this kind of plan is typical:

> By making modest contractual payments to the private institutions, the State would help to guarantee and even increase the present level of privately-enrolled North Carolina undergraduates . . . .The proviso calling for each institution to maintain a scholarship program based on. . .financial need. . .would encourage the institution to serve more North Carolina students. (13)

These enrollment formulas also provide for assistance to private institutions based on the number of state residents already enrolled. Two other state plans (17, 19) are directed toward current enrollment and are not concerned with increases. Authors of a California report (8), however, argue that the state should not establish an enrollment formula that would aid students who would attend private institutions in any case. Another form of assistance provides funds to institutions enrolling low-income or

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[6] Thackrey, Russell. "The Case Against the Wisconsin Voucher Plan," in *New Teaching, New Learning.* Current Issues in Higher Education. Edited by G. Kerry Smith. San Francisco: Jossey-Bass, Inc., 1971.

[7] *The Financial Problems of Private Colleges and Universities of New York State. An Interim Report.* Albany: The State University of New York. the State Education Department, April 1971.

state scholarship and grant students (10, 11, 15, 19). In this proposal, states recognize that these students may require the institution to provide special educational services. The enrollment formula seems to be more favored in recent reports than other proposals calling for institutional aid based on the number and types of degrees awarded (4, 18). The degrees-awarded approach has the disadvantages of not recognizing the institution's services to those who attend but don't graduate (10, 17), and of possibly discouraging the institution's admission of higher-risk students (10).

The enrollment-based formulas discussed above require that state assistance, totally or in part, be channeled to independent institutions through a contract agreement (1, 11, 13, 15, 17, 18, 20, 21, 22),[8] whereby the state purchases educational services from the college. To its advocates, the contract method has the advantage of avoiding difficult constitutional questions concerning state aid to church-related institutions, and it accords with states' experience in purchasing services from private sources (10, 20). The contracts proposed thus far also indicate that this method enables a state to determine its priorities without expanding its own facilities, including its needs for special programs and services (1, 10, 11, 12, 22). The New Jersey proposal notes:

> The state will pay a negotiated price for specific services to be rendered to New Jersey residents. Such contracts would reduce or eliminate the need for the state to create or expand certain specialized programs at public institutions and would take maximum advantage of the special resources available at the private universities and colleges. (11)

Problems Created by New State-Private College Relationships

There is mutual benefit from the new state-private college relationships, but there are also legal and educational problems posed by a closer relationship. These problems arise because the institutional autonomy and distinctiveness that are a private college's proudest characteristics may be threatened by increased dependence on state assistance.

When recommending financial aid to private institutions, state reports point out that the government will want to review

[8] Alaska enacted a contract plan in June 1970 but it has not yet been funded.

the institution's use of the state funds. The review will examine the institution's service to the public and its efficiency of operation. The states also expect the assisted institution to participate in statewide planning and coordination (1, 5, 10, 15, 20).[9] The potential for conflict in these requirements is seen in the differences between the proposal of the Regents of the State University of New York (15) and that of the Commission on Independent Colleges and Universities, State of New York (12).

Both plans call for tuition-equalization, and affirm their responsibility to serve the public interest. The independent institutions also argue that they have made every effort to cut their costs and any further reductions would mean a decline in the quality of the education offered. For its part, the Regents urge both private and public institutions to consider time-shortening degree programs as a method of achieving economies, and also recommend that small private institutions seek affiliation with larger institutions. In another area of conflict, one of the Regents' goals is to:

> Establish increased accountability on the part of public and private institutions for tuition policies, for enrollment priorities, for the effectiveness of the educational programs offered, and for the diversity of the student bodies served.

The Commission, however, believes that independent institutions should be accountable to the public, but not "subject to direct and detailed public intervention in their operations."

State plans for assistance may also influence private institutions in other areas. There is some fear that the private institutions might attempt to expand beyond their capabilities in order to get state aid (3), but the state's interest in efficiency of operation (1, 5, 10, 13, 15) should act as a safeguard against this development. Since state plans are designed to reward enrollment of state residents (for an exception, see 19), there is also the problem of maintaining diversity in the student body when the institution benefits from only state residents. Many independent colleges already enroll a substantial number of state residents.

Another potential source of difficulty for private institutions lies in the area of admissions policy (7, 10). Since the states have an increasing interest in providing educational opportunity for

[9] Rockford College (Illinois) refuses all governmental aid because it believes "it is [not] possible to be dependent and independent concurrently." John A. Howard, President, *Rockford College Report*, November 1971.

their residents, private colleges may find it difficult to justify a highly selective program. The state's interest is bluntly explained by Virginia's State Council of Higher Education:

> The right of a private college. . .to establish objectives which appeal to a limited number or a special category of students must be respected. However, highly selective admissions policies will not adequately serve the Commonwealth. Every institution has a moral responsibility not to use state money to inaugurate or maintain highly discriminatory admissions policies. (15)

For some public institutions, a tuition-equalization plan may cause problems if admissions policies at private institutions are not changed to agree, at least in part, with those of the public colleges. The Chancellor of the City University of New York fears that if metropolitan private institutions did not accept a share of educationally disadvantaged students, CUNY might become a "higher educational ghetto" because of its open admissions policy (7). Answering this concern, New York State's Commission on Independent Colleges and Universities has declared its willingness to share the responsibility for educating disadvantaged students (12).

Federal and state constitutional prohibitions against aid to church-related institutions also pose serious problems for private college aid plans. The First Amendment prohibitions in the United States Constitution are binding upon the states under the Fourteenth Amendment and therefore precedents established under federal law must be considered in formulating state-aid plans. While a state may amend its constitution (its provisions may be more stringent than the federal limitations) it must still conform to federal standards (9, 21, 22).

The federal criteria for constitutionality of assistance to church-related institutions have evolved through a series of Supreme Court decisions dealing with secondary school aid.[10] In *Everson v. Board of Education,* the Court allowed New Jersey to reimburse parents for their children's transportation costs to parochial schools, arguing that the prime beneficiaries are the child and his parents, and the parochial schools are only indirectly assisted. The "child-benefit" concept from *Everson* was followed by a decision in *Abington School District v. Schempp* that banned

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[10] This discussion is based on the work of William H. McFarlane and Charles L. Wheeler (9), and Charles H. Wilson, Jr. (23).

Bible reading in the schools. The Court declared that the government must be neutral in matters of religion, adding:

> . . .to withstand the strictures of the Establishment Clause there must be a secular *legislative purpose* and *primary effect that neither advances nor inhibits religion.* [Emphasis added]

In a 1970 decision, *Waltz v. Tax Commission of the City of New York,* the Court upheld New York State's provisions for exemption of church property from taxation. Using the "purpose and primary effect" rule, the Court added a new limitation: that the legislation not result in *"excessive government entanglement with religion."* (23)

The Court applied these standards in *Tilton v. Richardson* (June 1971), a case which challenged the constitutionality of aid to church-related colleges through the Higher Education Facilities Act. The Court upheld aid to four Connecticut colleges but struck down a provision in the Act that would have allowed the colleges to use the federally-funded buildings for religious rather than secular purposes after a 20-year period (23). The Court distinguishes this decision in favor of aid to church-related higher education from its finding against aid to church-related elementary and secondary institutions. However, the decision does not provide standards for future forms of aid to church-related higher education:

> Each form of aid must be separately scrutinized, and each church-related college must be examined individually to determine its constitutional eligibility. (23)

The problems of evaluating the constitutionality of aid on the federal level are made more difficult in states whose constitutions contain explicit prohibitions against aid to church-related institutions. Some states have recommended that the constitution be amended (21, 22), while others have attempted to develop plans that meet constitutional standards. State constitutional provisions against aid to certain private institutions use a variety of terms to describe the prohibition: "sects," "denominations," "religious societies," or "churches" (9). The difficulty in applying these standards to church-related colleges and universities lies in determining the degree to which affiliation makes aid unconstitutional. Many colleges have church origins and continue some relationship with a church, but do not promote that church or discriminate against students who are not members of it (9). The

question is how to determine eligibility for aid. Facing this problem, New York State's "Bundy Report" recommended that the New York State constitution be revised to accord with the federal model, so that qualified church-related institutions could then receive "Bundy aid."[11] Although this constitution has not been amended, certain church-related institutions do receive Bundy aid. Their eligibility is determined by the state's Commissioner of Education, after a review of a questionnaire and interviews concerning "the purposes, policies and governance of the institution, and concerning its faculty, student body, curricula and programs."[12] For the private institution concerned and the state administration this process may involve a series of contested decisions and court cases (23).

Plans for state assistance clearly provide mutual financial and educational advantages for the private colleges, the state government, and students. By accepting this aid, private institutions face two major difficulties: (1) preserving their own concepts of educational quality and mission when they are subject to state review; and (2) functioning without a guarantee of continuing assistance from the state legislature at a meaningful level of support. Both political and budgetary constraints may threaten this aid. Private colleges and universities that seriously need new and large sources of assistance may believe that these questions should be dealt with after institutional survival is assured.

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[11] *New York State and Private Higher Education,* 1968.

[12] Allen, James E., Jr. *Constitutional Eligibility of Certain Non-Public Institutions of Higher Education for State Aid Pursuant to Chapter 677 of the Laws of 1968.* Memorandum to Chief Executive Officers of Institutions of Higher Education. University of the State of New York. Albany, August 12, 1968.

Annotated Bibliography

1. *An Assessment and Projection of the Resources and Needs of Independent Higher Education in Connecticut.* A Report to the Commission for Higher Education State of Connecticut. Volumes I & II. March 1971. HE 002 829. (RIE, July '72) MF–$0.65, HC–$9.87.

This study of the status of private higher education in Connecticut recommends revisions of current legislation providing state aid to private institutions (see Table 1) if more broadly based legislation is not passed. Under the proposed plan, the evaluation of enrollment changes used as a criterion for state aid would be based on "a comparison of enrollments during the year preceding the specified year with enrollment in prior years," and the requirement for an increase in total enrollment would be eliminated. Associated with this change is a proposal for a state grant of $1,000 to the independent institutions for each state resident enrolled on a full-time basis. At least 80 percent of the grant would be returned to the student as financial assistance. Part-time undergraduate and graduate students would also receive aid.

Contractual arrangements for specific programs is another form of state aid the authors propose to obtain public services in a selective procedure. Contracts would be specific: the number of places, the content of the programs and the type of personnel necessary, and cost-accounting would be detailed. Tuition and scholarship aid might also be incorporated into this plan.

The report also describes goals, programs and plans of the 17 private colleges and universities included in the study.

2. *The Capitol and the Campus.* State Responsibility for Post secondary Education. A Report and Recommendations by the Carnegie Commission on Higher Education. New York: McGraw-Hill, April 1971.

Believing that states should continue to have the major responsibility for higher education, the Commission discusses the state's role in formulating policy for both public and private institutions. It regards private institutions as an important component of a state's educational system and is concerned about their financial support. The Commission does not favor increased public tuitions as a method of closing the tuition gap between the private and public sectors. Instead, it recommends that the rate of tuition increased at public institutions keep pace with per capita disposable income and that the state develop a program of tuition grants awarded to students on the basis of need. These grants could be used at private institutions, but a maximum tuition grant would be set to limit increases in private tuitions. It also suggests that some states that rely to a great extent on private institutions should provide cost-of-education vouchers to resident students for use at private institutions. These colleges would receive "a state payment increasing gradually each year up to an amount equal to one-third of the subsidy granted by the state for students at the same levels attending comparable institutions." Other recommendations include state-private arrangements for specified educational programs, state land-grants for private institutions, and establishment of bond-issuing corporations for construction funds.

3. Fenske, Robert H. and Joseph D. Boyd. "The Impact of State Financial Aid to Students on Choice of Public or Private Colleges," *College and University* 46 (Winter 1971).

This article reports on the influence of Illinois State Scholarship and Grant awards on students' decisions to attend private or public, 2- or 4-year colleges and universities. A survey of scholarship and grant recipients indicated that about 1/4 of those responding would have attended a college different from their present institution if they had not received state aid. Of those who would have attended another Illinois college, 81.6 percent would have gone from private to public education without state aid. The authors calculate that the state has a net savings of about $2,000,000 in operating costs alone because the cost incurred to educate these students at public institutions would be greater than

the amount spent on state aid. From the private institutions' perspective, these state-aided students are becoming an important factor in enrollment; but the program may have an adverse impact on private institutions if it causes them to expand enrollment beyond "optimum efficiency" of the current private colleges' facilities and staff. The authors also point out that there is a danger in increasing dependence on outside sources of support both in the reliability of that support and its impact on the institution's goals and operation.

4. *Financial Problems of Massachusetts Private Higher Education.* Report of the Select Committee for the Study of Financial Problems of Private Institutions of Higher Education in the Commonwealth of Massachusetts. January 1970. ED 042 417. MF–$0.65, HC–$3.29.

The Committee's recommendations for assistance are based on the findings of an independent study of Massachusetts' private colleges and universities present and projected financial status. In 1968-69, these institutions enrolled 56 percent of Massachusetts' students; however, the financial problems they face will result in curtailment of enrollment, higher tuitions, and reduced student aid unless new sources of financing are found. To continue the dual system of higher education, the Committee proposes a system of institutional grants based on the number of degrees awarded to Massachusetts' residents in these institutions. The amount of the award would be a percentage of the cost to the state of producing a degree at a comparable public institution.

5. "Financing Higher Education Needs in the Decade Ahead," A Statement of Policy and Proposed Action by the Regents of the University of the State of New York. Albany: The State Education Department, January 1972. HE 002 826. (RIE, June '72) MF–$0.65, HC–$3.29.

The Regents' proposal to restructure the financing of higher education would affect tuition and enrollment plans at both public and private institutions. Students attending private colleges would be assured of aid under a greatly expanded Scholar Incentive program if the institution concerned agreed to: tie its tuition increase to the rise in cost per student at the public institutions, "plus an amount needed to cover debt service on approved new construction"; and establish a matching scholarship aid program geared to a percentage of the Scholar Incentive payment. Under

this plan, freshmen enrollment at private institutions is expected to increase by about 10,000 students. The Regents also would establish a tuition program at the public institutions based on ability to pay and level of education.

Accompanying this report is *New York State's Higher Education System: Progress and Problems.* Background Studies for The Development of New Methods of Financing. Albany: The State Education Department, January 1972. HE 002 827. MF–$0.65, HC–$3.29.

6. *A Forward Look.* Final Report of the Governor's Commission on Education. Madison: State of Wisconsin, 1970. ED 052 692 MF–$0.65, HC–$6.58.

The Commission proposes a new method of financing public and private higher education based on the belief that the student rather than the state is the chief beneficiary of higher education. Under the proposed voucher system, called the Higher Education Opportunity Program (HEOP), all students would receive a grant of $500 and a supplementary grant based on their ability to pay. This aid would not replace other forms of state or federal assistance, but would supplement those programs. The student could use his money at any accredited postsecondary institution in the state. The institutions would charge full tuition to the student. In addition, the Commission proposes that full cost-of-education grants be given to professional and graduate students in their second and third years of study and state-guaranteed loans be provided for the first and fourth years. One of those involved in drafting the report, Robert Flagly, discusses it in *Compact* 5, February 1971.

Russell Thackrey criticizes this plan in "The Case Against the Wisconsin Voucher Plan," in *New Teaching, New Learning.* Current Issues in Higher Education, edited by G. Kerry Smith. San Francisco: Jossey-Bass, Inc., 1971.

7. Kibbee, Robert J. "Statement on Proposal by Private Colleges and Universities." City University of New York, December 15, 1971.

The author, Chancellor of the City University of New York, criticizes the Commission on Independent Colleges and Universities' proposal for financing New York State's higher education (12). He questions the appropriateness of funding private higher education when public education is not receiving sufficient financial support and argues that private institutions that must spend endowment are

still "better off" than public institutions that must live within their budgets whatever the level of funding. If private colleges receive massive public aid, Kibbee believes they will have to deal with a new set problems already familiar to the public sector: audit and control conditions; annual budget and fiscal constraints; publicly appointed trustees; elimination of discriminatory admissions; and "a fair proportion of the *public policy* mission of higher education."

8. Levin, Henry M. and Jack W. Osman. *Alternative Methods of State Support for Independent Higher Education in California.* Phase II of a study for State Aid to Private Higher Education. Sacramento: Coordinating Council for Higher Education, February 1970. ED 038 108. MF–$0.65, HC–$6.58.

This study analyzes the impact various methods of financing private colleges and universities would have on California's responsibility to provide higher education to its residents. The authors discuss: student subsidies; institutional subsidy based on enrollment; a combination of these two methods; and institutional grants for specific purposes. They find that implementation of either student or institutional subsidies would have the same effect on enrollment; a choice therefore would be made by political or other criteria. Although a combination of the student and institutional subsides would increase enrollments more than either method, it is unclear how the combination would affect the market price. The authors apply the "savings bank paradox" to enrollment formulas, pointing out that the State would only gain if the formula provide aid only to those students who need assistance to attend. The formula should not subsidize students who would attend in any case.

9. McFarlane, William M. and Charles L. Wheeler. *Legal and Political Issues of State Aid for Private Higher Education.* Atlanta: Southern Regional Education Board, 1971. ED 052 696 MF–$0.65, HC–$3.29.

The authors discuss the legal and political considerations involved in state aid to private higher education, particularly with reference to the southern states. On the federal level, constitutional history suggests that all forms of aid to church-related institutions are not prohibited. They also point out that the Fourteenth Amendment makes federal law in this area applicable to the states, but state constitutions may add other considerations to the church-state question. The results of a survey of state and educational leaders' attitudes toward the place of private higher

education and its financial support generally indicate that there is "sympathetic interest" for the problems and importance of private education.

10. *Minnesota Private Higher Education.* St. Paul: Minnesota Higher Education Coordinating Commission, December 1970. HE 002 901 (RIE, July '72) MF–$0.65, MC–$6.58.

This is the report of the Private College Study Panel established by the Minnesota Higher Education Coordinating Commission to study the private sector's role in meeting state needs for postsecondary education. The panel discusses alternative methods of assistance and indicates its preference for facilities assistance through a revenue bond plan; a contract arrangement to purchase instructional services; and substantial instructional grants to institutions for the students who receive student assistance. Private institutions may also be aided by changes in tuition policy and limitations on enrollment at the public institutions. The panel also discusses the private institution's obligations to the state and public if it accepts state aid. Also included in the report is an extensive discussion of the present and future plans of private colleges and universities.

See Table I for funding of these proposals.

11. "New Jersey Plan for Contracts with Independent Colleges," State Board of Higher Education, Trenton [1971].

The Board's plan is currently before the State Legislature and is expected to be approved for the 1972-73 academic year. Three types of contracts are proposed: a contract for graduate and professional programs; a State Program for Utilization of Resources (SPUR) based on enrollment increases; and Cost of Education Grants. Under the first contract, the Board expects that the state's burden to develop or expand programs at public institutions will be reduced. The second contract would provide more educational opportunities for New Jersey residents. Institutions would receive aid per full-time New Jersey undergraduate based on enrollment increases over the previous year and a smaller amount per resident based on the enrollment of the previous year in which the increase occurs. The major portion of this aid must be used to lower the cost to the student. Under the third contract, the participating institution would receive a grant of $300 for each state

resident who has state financial aid, exclusive of loans or institutional aid of $1,000 or more. The Board has budgeted $7 million for the contract program.

12. *A Plan of Action for Financing Higher Education in the State of New York.* The Commission on Independent Colleges and Universities, State of New York. December 1971. ED 057 746 MF–$0.65, HC–$3.29.

The Commission proposes a new financing system for private and public colleges in New York State designed to resolve independent institutions' financial difficulties and improve the total state system. Some of the causes of independent institutions' problems also apply to the public system: inflation and increased demands for educational programs and services. But private institutions must also compete with low-cost public institutions for students, and they now have an estimated 15,000 vacancies. This situation is costly to the private school and an underutilization of resources for the state as well. The Commission believes it is educationally and fiscally sound practice for the state to help these institutions stabilize their financial stituation. It recommends a plan to be phased in over 3 or 4 years: public institutions should charge full educational costs; students who can afford this should pay all costs; and the Scholar Incentive plan should be expanded to give financial assistance to all students who need it. If this plan were implemented, the present degree-based program of aid would be ended gradually.

13. *Private Higher Education in North Carolina: Conditions and Prospects.* A Study of Enrollment, Finances, and Related Subjects, 1965-1970. Raleigh: North Carolina Board of Higher Education, April 1971. HE 002 782. (RIE, May '72) MF–$0.65, HC–$3.29.

The Board bases its recommendations for financing private higher education on a study of the financial status and problems of its state's private institutions and the public need for accessible higher education in the state. It recommends full funding be provided for a plan on student financial aid. If such a plan does not receive full support, the Board recommends two alternative plans that would provide institutional aid to private colleges that would in turn be remitted to the student as financial aid. Part One of this plan would provide an amount per student based on enrollment figures in Fall 1970. The institution would have a contract with

the state to provide scholarship funds in an amount at least equal to the institutional award. Part Two of this recommendation would base institutional aid on the students enrolled in excess of the Fall 1970 enrollment. Both plans would be subject to reevaluation at the end of 1972 and would exclude seminary and Bible, and proprietary institutions. Recent legislative funding has provided aid through student assistance and parts One and Two (see Table I).

14. Reinert, Paul C., S.J. *To Turn the Tide.* Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1972.

This discussion results from a series of national conferences on private higher education, Project SEARCH, and the author's own experience as president of St. Louis University. The conference participants agreed that the states should continue to have the major responsibility for post-secondary education. The author supports a tuition equalization program under which the state would award grants based on financial need to undergraduates attending both private and public institutions; the maximum amount of a grant should not exceed the average-per-student cost to the state for public higher education. Graduate and professional training should be supported by the state through contractual arrangements. Reinert also suggests that a private institution that does not receive state support suffers in competition with institutions in neighboring states that do receive state aid. Also discussed are the steps the institution can take to remedy its financial problems; the need for a balanced private-public higher education system; and the federal government's role.

15. *Report of the State Council of Higher Education for Virginia Responding to Senate Joint Resolution Number 21, 1971 Session of the General Assembly.* Senate Document No. 9. Richmond: Commonwealth of Virginia, 1971.

The Council recommends methods of utilizing private institutions for Virginia residents to increase their opportunities for higher education and to effect an economy in educational services for the state. Included among the nine proposals is a plan for a proposed higher education coordinating authority to contract with private colleges for Virginia residents enrolled in excess of the fall 1971 number. The state would provide partial reimbursement of the institution's cost of services to these students. Another proposal would establish a scholarship and grant program for

undergraduate students for assistance up to one-half of demonstrated need to be used at private or public colleges. At private institutions this program would be coupled to a contract arrangement for instructional services for scholarship and grant recipients. The Council notes that private institutions would be expected to make certain "responses" to the state in accepting state assistance: participation in state planning; establishment of well-defined objectives, including an admissions program which is not "highly discriminatory"; and an effort to increase efficiency in operations.

16. Spang, J.R. "Direct and Indirect State-Aid to Private Institutions of Higher Education in the United States." Ph.D. Dissertation. Temple University, 1971.

This dissertation describes the types of state aid proposed or available in thirty-three of the fifty states surveyed. It also discusses the preferences of private institutional representatives for these forms of aid. The author ranks the categories of aid in order of their anticipated benefit by 54 private institutional representatives. They are: general support; scholarships; physical facilities; loans; student fellowships, grants and admissions; tax benefits; strengthening faculty resources; studies; libraries, museums and research; consortia and interinstitutional cooperation; communication and computer centers; degrees, programs and accreditation. The author finds an increasing concern at the state level for the interests of private institutions, and he recommends steps to further promote state aid to private colleges.

17. *State Assistance to Private and Independent Higher Education in Oregon.* Report of the Ad Hoc Committee on Private and Independent Higher Education. Salem: Educational Coordinating Council, 1968. ED 031 997 MF–$0.65, HC–$3.29.

Recognizing the educational and financial importance of private institutions to the state, the report recommends that the state contract with 2- and 4-year private institutions for Oregon residents and that a student financial aid program be established. The contract system is based on credit hours rather than degrees granted, since student transfers between institutions would result in inequities. The student receives aid based on the difference between the family's ability to pay and the student's educational budget at his institution. See Table 1 for funding. The report also provides extensive financial and enrollment data on Oregon's private institutions.

18. *Strengthening Independent Higher Education in the State of Indiana.* A Report to the Governor's Commission on Higher Education. Greencastle: Independent Colleges and Universities of Indiana, 1970. HE 002 919 (RIE, July '72) MF–$0.65, HC–$3.29.

The report describes the contributions of the private colleges and universities in Indiana to the education of its citizens and examines the current financial problems facing these institutions. It recommends the establishment of a coordinating council, comprised of members from the private and public sectors, who would plan for the future growth of private and public higher education. It also urges expansion of the scholarship program so that, based on financial need, each student would receive aid equal to not more than the cost of his tuition. Finally, the report calls for contractual arrangements between the state and private institutions. The assistance awarded would be based on the number and type of degrees an institution produces each year and a percentage of the cost of producing a comparable degree at a state institution.

19. *Strengthening Private Higher Education in Illinois. A Report on the State's Role.* Springfield: The Commission to Study Non-Public Higher Education, 1969. ED 028 745 MF–$0.65, HC–$6.58.

The "McConnell Report" proposes direct institutional aid to private colleges and universities in order to provide educational opportunity, to strengthen private higher education, and to maintain a dual system of higher education. The formula recommended would provide $500 for each fulltime equivalent (FTE) Illinois State Scholarship and Grant recipient; $100 for each FTE freshmen and sophomore; and $200 for FTE juniors and seniors. If the program were not put into effect in its entirety, the Commission suggests a three-step plan that would first provide aid to all state grant and scholarship recipients, then to all other Illinois residents, and finally to all students regardless of geographic origin. (See Table 1 for current programs.)

20. *Toward an Effective Utilization of Independent Colleges and Universities by the State of Ohio.* A Report Prepared by a Panel Appointed by the Academy for Educational Development, Inc., for the Association of Independent Colleges and Universities of Ohio. Columbus: The Association of Independent Colleges and Universities of Ohio, January 1971. ED 058 823 MF–$0.65, HC–$3.29.

The Association's recommendations for state assistance are based on an independent study of its member institutions' past operations and projections of future programs. Among the steps it proposes to remedy its membership's financial problems are: tuition equalization at private institutions through the state's Instructional Grants Program, but aid should not exceed the educational costs at the public institutions; state contracts with private institutions for general as well as specialized education; and, limitations in enrollment at public institutions. The Association also recognizes that the private colleges will be more accountable to the state under new financial arrangements and it also seeks participation in the implementation of the state's 1971 Master Plan as the private institution's representative.

21. *The Tucker Report.* Report of the Governor's Task Force on the Role of Private Higher Education in Missouri. December 1970. HE 002 918 (RIE, July '72) MF–$0.65, HC–$3.29

This report is based on a survey of 41 private colleges and universities in Missouri. The Task Force found that these institutions have substantial potential for the enrollment of additional students; its recommendations are designed to encourage use of the private facilities. The Task Force proposes: a state student assistance program providing students with funds for private and public institutions; contractual arrangements for specialized fields of study; and a constitutional amendment to allow aid to private institutions.

22. *Washington Private Higher Education: Its Future and the Public Interest.* Olympia's Council on Higher Education, 1970. HE 002 889 (RIE, June '72) MF–$0.65, HC–$9.87.

The Council finds that a plan for substantial aid to private colleges for long-range solutions to their problems must wait until the state constitution can be revised. In the interim, it proposes a program of grants to state residents enrolled at private institutions and "pilot programs" of contractual arrangements for legal and health programs. The Council assumes the institutions would raise tuition in an amount equal to the grant. The report discusses the public functions of the private institutions; weighs the benefits of alternative forms of aid; and gives considerable attention to the constitutional issues.

STATE SUPPORT OF PRIVATE HIGHER EDUCATION: PROGRAMS IN OPERATION OR APPROVED AS OF JANUARY 1972

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
ALABAMA	None	(a) Two-year Appropriations Funding: 1971-73 Tuskegee, $75,000/yr Walker Jr,$200,000/yr Marion, $200,000/yr Restrictions: None	None	(a) Direct grants (col. 2) could be used for facilities	None	None	None
ALASKA	None	None	None	None	None	(a) Career and scholarship loans; for any resident; use at accredited in-or out-of-state institutions Funding: 1971 $1.5 million Distribution: Limit of $2,500 per year undergraduate; $5,000/yr. for graduates. Restrictions: Forgivable % rate dependent on residence in state after graduation; minimum two years.	None
ARIZONA	None	None	None	None	None	None	None
ARKANSAS	None	None	None	None	None	None	None
CALIFORNIA	(a) See column 5 (medical)	None	(a) College Opportunity Grant Program--tuition and subsistence.* Funding: Unavailable Distribution-Unavail. Restrictions: Total 2,000 new recipients per year.	None	(a) Contracts with independent medical schools to increase enrollments - 1971 legislation. Funding: $12,000 per year for each additional student enrolled.	(a) State Scholarship Program. One-half of awards and 80% of funds for students in private institutions. Funding: 1971-72 $15.75 million Distribution: Maximum $2,000 per student** Restrictions: For residents use in the state only. (b) See Column 7 (graduate) (c) See Column 3 (disadvantaged)	(a) College Fellowship Program to prepare college faculty. Funding: No funds provided in 1971-72 budget, but 1971 legislature removed "teaching" emphasis and expanded to all disciplines. Future funding probable. Restrictions: Tuition and fees
COLORADO	None	None	None	None	None	None	None
CONNECTICUT	(a) Contracts with private institutions to provide spaces for state residents. Funding: Maximum of $500 per year per Connecticut student. (Continued next page)	(a) See Column 3 (disadvantaged)	(a) Transitional grant program for disadvantaged students; grants to institutions for guidance, tutoring, etc. for such students. (Continued next page)	(a) Connecticut Health and Educational Facilities Authority. Purpose: Issue tax-exempt bonds for facilities construction at public or private institutions or hospitals.	None	(a) State Scholarship Program eligible for any student accepted at any postsecondary institution in- or out-of-state. Funding: 1971-72 $1.330 million (Continued next page)	None

* As most recipients enter junior college, the program has to date offered limited use for private institutions. This should increase as these students enroll as transfer students.

** Reduction in funding cut the effective maximum to $1,850 (hopefully temporarily).

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
CONNECTICUT (continued)	Total appropriation of $1.1 million provides about $93 per student. Restrictions: Institutions required to spend 80% on grants to Connecticut students according to their financial aid practices. Remaining 20% goes to the institution. (b) CCHE Contracts with private institutions for facilities, programs, or services. Funding: none		Funding: 1971-72 $190,000 Distribution: Students: Not to exceed $1,000 annually. Institutions: Not to exceed $500 per student enrolled under program. Restrictions: Primary consideration to potentially capable but disadvantaged students. Use in both public and private institutions.			Distribution: Maximum $1,000 per student per year. Restrictions: State residents only. (b) See column 3 (disadvantaged) (c) Scholarships for veterans' surviving dependents; teacher education incentive scholarships. Funding: 1971-1972 $112,000.	
DELAWARE	None	None	None	None	None	None	None
FLORIDA	None	None	None	None	None	(a) State scholarship and loan programs. Funding: $1 million in state funds and $3 per student per quarter fee increase in public institutions. Restrictions*: Student loan funds to be available on basis of need. Funds allocated for loans to private college students limited to 40% of general revenue payments to student financial aid trust fund. (b) Tuition assistance grants for use at private institutions. Funding: $360,000. Distribution: up to $1,200 per year.	(a) State Board of Independent Colleges and Universities created in 1971 to set standards and license nonpublic institutions.
GEORGIA	None	None	None	None	None	(a) Tuition grants for state residents attending private accredited institutions, effective 7-1-72.** (Continued next page)	None

* 1971 legislature phased out existing categorical scholarships based on professional goals and increased student loan funds to be awarded on basis of need.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/* AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
GEORGIA (continued)						Funding: 1972-1973, $2.8 million. Distribution: $400 per student per academic year limited to freshmen and sophomore classes first year; junior class added second year; senior added third year. Restrictions: Prohibited for primarily sectarian institutions; excludes institutions receiving state funds under 1970 Junior College Act.	
HAWAII	None	None	None	None	None	None	Licensing of certain degree granting institutions required under 1971 law.
IDAHO	None	None	None	None	None	None	None
ILLINOIS	None	(a) Direct grants to private institutions for state residents enrolled. Funding: 1971-1972 $6 million. Distribution: $100 per each freshman or sophomore State Scholarship Commission recipient; $200 for each junior or senior state resident.	None	(a) Ill. Educational Facilities Authority created in 1970.* Purpose: Issue revenue bonds for educational facilities construction at private institutions.	(a) Operating and capital grants to private medical schools. A variety of programs, including nursing, allied health, et al, not listed. Funding: $3,489,000 1972-1973. Distribution: operating expenses: $6,000 per increased state resident student and $1,000 per state resident student; capital expenses--one-time grant provides $50,000 per increased state resident student for the first 20	(a) Competitive state scholarship and financial need programs for state residents attending public or private state institutions. Funding: 1971-1972 $39.4 million Distribution: Maximum of $1,200 per student.	None

* 1971 legislature phased out existing categorical scholarships based on professional goals and increased student loan funds to be awarded on basis of need.

**Constitutional amendment passed in 1970 by Georgia voters to permit such a program. The amendment may also allow for awarding of state scholarships and loan funds to students at private institutions.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
ILLINOIS (continued)					students and $20,000 per increased state resident student thereafter. (b) operating and capital grants to private dental education programs. Funding: $751,000 for 1972-1973. Distribution: $3,000 per increased state resident student and $1,000 per state resident student for operating expenses.		
INDIANA	None	None	None	None	None	(a) State Scholarship Program awarded on competitive basis; factor of need also considered. Funding: 1971-1973 $14.9 million. Distribution: Maximum stipend of $1,400. (b) Educational grant program based on need upon admission to any accredited Indiana institution. Funding: 1971-1973 $1.25 million	(a) Tax credits allowed against state income tax equal to amount of contributions to institutions of higher ed. in the state. Taxpayers; 20% of adjusted gross income or $50, whichever is less. Corporations: 5% of total adjusted gross income or $500, whichever is less.
IOWA	None	None	(a) Tuition grants for low- and middle-income students at Iowa private colleges of their choice. Funding: 1971-1973 $8 million Distribution: Maximum of $1,000 per year based on family financial need. Restrictions: Cannot exceed tuition and fees minus average amount that would be paid at state institution.	None	None	(a) Scholarships based on ability and financial need and usable at any accredited public or private institution in state by residents. Funding: 1971-1972 $290,000. Distribution: $100 - $800 depending on need and tuition. Restrictions: Used only for tuition and fees. (b) See Column 3 (disadvantaged)	None

* Statutory authority of agency under litigation. No additional bonds will be issued until litigation is completed.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
KANSAS	None	None	None	None	None	(a) Limited competitive scholarship program; 150 freshman annual awards based on need. Funding: Per year $150,000. Distribution: Tuition or $500, whichever is less. Restrictions: Renewable only once. (b) Tuition grants for state residents attending private colleges, effective for 1972-73 academic year. Funding: 1972-1973, $1 million. Distribution: tuition and fees, or $1,000, whichever is the least; provides 1,000 to 1,250 grants. Restrictions: demonstrated financial need; tuition and fees.	None
KENTUCKY	None	None	None	None	None	(a) Guaranteed loan program. (b) Tuition grant program established. Funding: token funding. Restrictions: constitutionality of legislation will probably be tested in court	None
LOUISIANA	None	None	None	None	None	None	None
MAINE	See column 5 (medical)	None	None	None	(a) New England Board of Higher Education administers a contract between the state and Tufts University School of Dental Medicine. Student pays tuition based on the in-state tuition rate of the University of Vermont Medical School. (Continued next page)	(a) Tuition subsidy program to state residents attending the state's private colleges. Funding: 1972-1973, $150,000. Distribution: Maximum of $800.	None

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
					Distribution: $5,000 subsidy per student per year to the University. (b) NEBHE administers contract program for medical students at the University of Vermont.		
MARYLAND	None	(a) Direct aid to accredited private institutions. Funding: 1971-1972 $1,915,000 Distribution: $200 per earned AA degree $500 per earned B.A. degree. (b) See Column 4 (Facilities)	None	(a) Although no specific facilities program in state, many grants have been given over past years to private institutions for this purpose. Legislature in 1967 appropriated small funds for 12 private and denominational institutions for operating expenses.**	None	(a) State Scholarship Board programs*, among the major of which are (1) general state scholarships, $100 to $1,500 based on financial need and SAT results; (2) medical scholarships at Univ. of Maryland; (3) grants for war orphans and disabled veterans children. Funding: For Board programs. Fiscal 1971, $3,173,431. Fiscal 1972, $3,722,794. (b) Senatorial and House of Delegates scholarships for recipients designated by legislators.	None
MASSACHUSETTS	None	None	None	(a) Massachusetts Educational and Health Facilities Authority. Purpose: To issue tax-exempt bonds for construction of private institutional facilities; interest and amortizations paid by institutions for up to 40 years.	(a) Medical, dental, and nursing scholarships based on need. Funding: 1971-1972 $350,000. Distribution: Nursing - $200 in public colleges; $700 in private colleges; $300 in diploma programs. Medical/dental -- $600 in public colleges, $700 in private colleges.	(a) General state scholarships renewable for up to 4 years of undergraduate study -- includes over 3,000 awards for residents based solely on need Use at public and private institutions Funding: 1971-1972 $8 million Distribution: Annual awards $700 in private, $200 in public. (Continued next page)	None

* The Board administers a number of scholarship programs, most of which are usable at either public or private institutions
** The appropriations were made in spite of a 1966 court decision that certain private college grants were unconstitutional because of the degree of church relationships.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
MASSACHUSETTS (continued)						Restrictions: Usable anywhere in United States -- no less than 10% and no more than 25% of scholarship funds may be used at instate public institutions. (b) See Column 5 (Medical/Dental/ Nursing)	
MICHIGAN	(a) Contracts for dental school services at accredited nonpublic schools of dentistry in the state. Funding: 1972 $115,000 Distribution: $2,400 for each doctor of dental surgery or dental medicine degree earned by Michigan residents.	None	None	(a) Higher Education Facilities Authority. Purpose: To issue tax-exempt bonds for construction of private institutions academic facilities. As of October 1971, authority had not been implemented.	(a) See Column 1 (contracts)	(a) Competitive scholarship program; applicants rated on test scores and class rank; in 1971-72, private college students will get 20% of scholarships and 25% of funds. Funding: 1971-72 $8.2 million Distribution: Cash awards up to $800 per year for 4 years to those with financial need; honorary awards to those without. (b) Tuition grant program based entirely on financial need for students attending private nonprofit institutions. Funding: 1970-1971 $5.2 million Distribution: Maximum of $800 per year for 4 undergraduate and 2 graduate years study Restrictions: First semester freshmen must take scholarship examination--scores do not affect eligibility. Students tuition charges must exceed $240. Theology students not eligible. (c) Guaranteed Student Loan Program. Distribution: Student may borrow up to $1000/year for undergraduates and $1,500/ year for graduates.	(a) Tax credits for contributions to general fund of any public or private 2 or 4 year institution in state. Taxpayers: 1/2 of gift amount, or 20% of state tax liability, or $100. Corporations: 1/2 of gift amount, or 10% of state tax liability, or $5000. (b)Rebate of state gasoline taxes paid by private institutions for school buses.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
MINNESOTA	(a) Contracts with private colleges for the education of additional state residents and of low-income students. Funding: 1971-1973 $2.7 million. Distribution: $500 per each state resident in excess of 1970 enrollment of residents, and $500 per each low-income state grant-in-aid recipient (the 2 payments are separate and unrelated.)	(a) See Column 5 (Medical)	(a) See Column 1 (contracts)	(a) Higher Education Facilities Authority Purpose: To provide bonds for construction and renovation of public and private institutional facilities.	(a) Development of undergraduate medical school in cooperation with Mayo Foundation. Funding: 1971-1973 $320,000. Distribution: $8,000 per state resident enrolled.	(a) State Scholarship Program based on need, usable in public and private institutions and public area voc-tech. schools. Funding: 1971-1972 $1,590,000, 1972-1973 $2,500,000. Distribution: 1/2 of demonstrated need; range, $100 to $1,000 Restrictions: For upper 25% academically only. (b) Grant-in-aid program, based on need, usable in public or private and public area voc-tech. schools. Funding: 1971-1972 $1,040,000, 1972-73 $2,500,000. Distribution: 1/ of demonstrated need; range, $100 to $1,000	(a) Interinstitutional TV projects with limited participation by private colleges. Funding: 1971-1972 $165,000 (b) Mini-tax library program including some private college libraries. Funding: 1971-1973 $300,000
MISSISSIPPI	None	None	None	None	None	None	None
MISSOURI	None	None	None	None	None	(a) Grant based on financial need in public or private institutions. Funding: Total amount not to exceed $3,500,000 for each fiscal year. Restrictions: Amount of grant not to exceed the least of financial need, one-half of the fall 1971 tuition and mandatory fee charges, or $900.	None
MONTANA	None	None	None	None	None	None	None
NEBRASKA	None	None	None	None	None	(a) State Investment Council program to provide direct loans to public or private institution students in the state. Funding: Not determined yet. (Continued next page)	None

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
NEBRASKA (continued)						Distribution: Not developed yet. (b) Tuition grant program. Funding: $500,000. Distribution: Maximum of $500, based on demonstrated need.	
NEVADA	None	None	None	None	None	None	None
NEW HAMPSHIRE	None	None	None	None	None	None	None
NEW JERSEY	See Column 5 (Medical)	(a) Supplementary educational programs grants for institutions under Educational Opportunity Grant Program. Funding: 1971-1972 $2,880,000	(a) Educational opportunity grant program for disadvantaged students at public or private institutions. Funding: 1971-1972 $9,748,000 Distribution: Grants up to $1,000.	(a) Educational Facilities Authority Purpose: To issue tax-exempt bonds for construction of facilities.	(a) Contracts with Schools of Veterinary Medicine outside the state for state residents. Funding: $100,000. (b) Grants to diploma schools of nursing to defray educational costs. Funding: $1.7 million. Distribution: $600 per full-time student.	(a) State Scholarship Program--competitive awards for up to 5% of instate high school graduates of previous year to attend public or private institutions. Funding: 1971-1972 $5,167,253. Distribution: Up to $500 per year. Restrictions: There are certain limitations on use at out-of-state institutions. (b) Guaranteed Student Loan Program. State guaranteed loans valued at $44 million to 40,000 students for 1970-71 (c) Incentive grants for state scholarship holders attending in-state institutions with more than $500 annual tuition. Funding: 1971-1972 $1,475,363. Distribution: Maximum award of $500. (d) Tuition aid grants based on financial need for students at instate institutions where tuition exceeds $500. Funding: 1971-1972 $3,384,000. (Continued next page)	None

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
NEW JERSEY (continued)						(e) County College Assistance Program for junior college transfers who need assistance in expense- transfers to 4-year public or private. Funding: 1971-1972 $286,400. Distribution: Range of $500 to $1,000. (f) See Column 3 (Disadvantaged)	
NEW MEXICO	None	None	None	None	None	None	None
NEW YORK	See Column 5 (c, d, and e) (Nursing/Medical/ Dental)	(a) Grants to independent colleges and universities. Funding: 1971-1972 $26.9 million. Distribution: Formula based--$400 for each bachelor and masters degree awarded previous year; $2,400 for each doctorate. (b) See Column 5(b) (Medical/Dental) (c) See Column 7 (Endowed Chairs)	(a) Educational Opportunity Funds for disadvantaged students at instate public or private institutions. Funding: $44.8 million including $6.2 million for private college students.	(a) Dormitory Authority for construction. Purpose: Provide tax-exempt bonds for residential and academic facilities construction at private institutions (b) Deferred major maintenance loans for private institutions. Purpose: Remodeling restoration, or modernization of educational buildings.	(a) Competitive Scholarship for 400 medical/dental and 35 osteopathic students. Funding: Not avail. Distribution: $350 to $1,000 per year based on financial need. Restrictions: Up to 120 of medical awards reserved for students agreeing to serve in physician-shortage areas. Stipends are $1,000 for first year and up to $4,000 for other three years, based on financial need. (b) Grants to non-public medical colleges. Funding: 1971-1972 $3.6 million. Distribution: Formula-$1,500 each full-time student in M.D. program. (c) Contract program to expand nursing enrollments; provide funds for each additional enrollee. Funding: 1971-1972 $2.5 million. (Continued next page)	(a) Regents Undergraduate Scholarship Program--5 competitive scholarships for use at instate public or private institutions. Funding: 1971-1972 $29.7 million. Distribution: In 1971-72, 84,266 awards from $250 to $1,000 based on need (b) See Column 5 (Medical) (c) Scholar Incentive Program, based on need, for student grants for use in the state. (non-competitive) Funding: 1971-1972 $44.1 million. Distribution: Grants up to $600. (d) See Column 3 (Disadvantaged) (e) Teacher training grants--in service, handicapped, non-western studies, urban. Funding: $318,000. (f) Guaranteed loans program. (Continued next page)	(a) 7 endowed chairs at 7 private institutions in science and humanities. Funding: $560,000 per year. Distribution: $80,000 per choice.

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
NEW YORK (continued)					Distribution: $300 for public community colleges, $1,000 for private junior colleges. $2,000 hospital diploma programs, and $2,500 bachelor degree programs per student. (d) Contract program for nurses refresher courses and qualification courses for foreign trained nurses. Funding: $345,000 (e) Contract program to expand medical & dental school enrollments, including capital grants. Funding: 1971-1972 $6.7 million Distribution: Medical-$6,000 for each student over total enrollment increase up to 25 per class or 100 per school. Dental-$3,000 per increased student. Capital--based on enrollment size and capital program.	Distribution: Student may borrow up to $20,000. In 1970-71, state guaranteed 117,000 loans totaling $106 million.	
NORTH CAROLINA	(a) Contracts to enable private institutions to administer scholarships to needy N.C. students. Funding: 1971-1973 $450,000 Distribution: Distributed to students on formula based new students over and above October 1970 enrollment. Restrictions: Each institution must disburse to needy students an amount equal to that received.	(a) Funds for private institutions for residents of state enrolled as of October 1970. Funding: 1971-1973 $575,000 Distribution: Formula based on residents enrolled in October 1970. Restrictions: Same as column 1(a).	None	None	(a) Education of North Carolinians at two private schools of medicine. Funding: 1971-1973 $1,236,000. (b) Education of North Carolinians as doctors and dentists at a Tennessee predominately black medical school. Funding: $25,000.	(a) Comprehensive program of grants, loans, and work-study programs for residents at public or private institutions. Funding: $1 million and sale of tax-exempt revenue bonds. (b) See Column 1 (Contracts) (c) See Column 2 (Direct Aid)	None
NORTH DAKOTA	None	None	None	None	None	None	None

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
OHIO	None	(a) See Column 5 (Medical/Dental)	None	(a) Higher Education Facility Commission. Purpose: To sell tax-exempt revenue bonds to finance educational facilities for private institutions.	(a) Financial assistance to Case Western Reserve University for education in medicine and dentistry. Funding: 1971-1972 $2,680,000.	(a) Student guaranteed loan program. Funding: State guaranteed $59,579,639 in loans in 1970. Distribution: Maximum loan of $1,500. (b) Instructional grant program for Ohio residents at instate public and private institutions Funding: 1971-1972 $15,160,000 Distribution: Maximum grant-$510 for public and $1,200 for private institutions based on adjusted effective income to $11,000 and no. of dependent children. Restrictions: For full time undergraduate students only.	None
OKLAHOMA	None	None	None	None	None	(a) Tuition aid grants for full-time Okla. residents at public and private accredited institutions in state based on need. Funding: No funds appropriated as yet. Distribution: Maximum grant of $500 per student, but not more than 50% of tuition and/or fees.	None
OREGON	(a) Direct aid to accredited private institutions in Oregon through contracts for secular education of state residents. Funding: 1971-1973 $2 million. (Continued next page)	(a) See Column 1 (contracts)	None	None	None	(a) Need grant awards based on financial need, and cash awards program based on academic achievement for students attending any accredited college or university in state. Funding: 1971-1973 $2,000,000* - $1.5 million for need grant awards; $500,000 for cash awards. (Continued next page)	

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
OREGON (continued)	Distribution: up to $250 for every 45 quarter hours completed; $1,000 for every student completing 4 years of undergraduate education.					Distribution: Need grants based on family income with $500 maximum grant.	
PENNSYLVANIA	None	(a) The state has traditional programs of direct aid to private institutions referred to as state-related (general funding) and state-aided (mainly focussed on programs of benefit to the state).	None	None	None	(a)Second largest state scholarship program for use at instate or out-of-state public or private institutions, hospital nursing schools, and instate private trade and business schools. Based on SAT scores (for eligibility) and need in relation to total cost less family contribution.** Funding: 1971-1972 $55.4 million. Distribution: Maximum award at instate institution, $1,200 and $800 out of state. 50% of need is met for families with less than $8,000 annual income and 33 1/3% of need if income is over $8,000. (b) Senatorial scholarship for use at 5 institutions, 2 of which are private. Distribution: Up to 1/2 of tuition.	
RHODE ISLAND	None	None	None	None	None	None	None
SOUTH CAROLINA	(a) State contracts with private colleges to provide public school teacher training. Funding: 1971-1972 $200,000	(a) Practice teaching fees to compensate public school teachers supervising undergraduate practice teachers at private colleges. Funding: $100,000	None	(a) Bond Authority. Purpose: Grants permission for private colleges to issue tax-exempt bonds for construction of physical facilities.	None	(a) Tuition grants program, based on merit and need for students attending private institutions. Funding: 1971-1972 $50,000	(a) Authority granted for private institutions to purchase from State Purchasing office and to utilize contracts negotiated by the office.

* A total of $2.5 million was appropriated, with $500,000 earmarked for public community colleges.

** Nontransferable programs from community colleges and scholarship recipients at hospital nursing schools and private trade and business schools are eligible for Education Incentive Program awards for needy students who do not meet the required test scores.

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SOUTH CAROLINA (continued)						Distribution: Based on per student appropriation at public institutions-about $1,300. (b) See Column 1 (Contracts) (c) State Education Assistance Authority. Purpose: To issue revenue bonds to make or guarantee loans of students at all institutions including vocational schools.	Funding: None, but major savings to the private has resulted.
SOUTH DAKOTA	None	None	None	None	None	None	None
TENNESSEE	None	None	None	None	None	(a) Tuition grant program based on need for use at any accredited public or private institution. Funding: No funds have been appropriated as yet. Distribution: Maximum grant of $1,000. Restrictions: Limited to tuition and fees.	
TEXAS	(a) See Column 5(a and b) (Medical/Dental)	None	None	None	(a) Contracts with Baylor University for medical and dental training of Texas residents. Funding: $1971-1972 Medical: $2.5 million Dental: $1.7 million (b) Contracts with Texas College of Osteopathic Medicine for Texas undergraduate medical students. Funding: 1971-1972 $150,000.	(a) Tuition equalization grants based on need for Texas residents attending an instate private institution of their choice. Funding: 1971-1972 $1 million Distribution: Grants up to $600 per student Restrictions: For tuition only and only freshman are eligible in 1971-1972.*	None
UTAH	None	None	None	None	None	None	None
VERMONT	None	None	None	None	None	None	None
VIRGINIA	None	None	None	None	(a) Scholarships for nursing and dental hygienist students, awarded same as column 6(a). (Continued next page)	(a) State Teacher Scholarships for loans to students at public institutions and qualified students pursuing qualified (Continued next page)	(a) Private institutions are exempt from property and sales tax.

* Sophomores will be added in 1972-73, juniors in 1973-74, and seniors in 1974-75.

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VIRGINIA (continued)					Distribution: Nursing, 100 awards per year; dental, 6 per year. Restrictions: Same as column 6(a).	courses at all accredited state private non-profit colleges. Funding: 1972-73, $2,300,000. Distribution: Not developed yet. Restrictions: Recipients must teach in state one year for each year of scholarship. (b) See Column 5 (Nursing/Dental) (c) Tuition equalization loan program for use at any private accredited non-profit institution of collegiate education. Loan is repayable by the student's satisfactory academic progress for the term, as defined by the institution; or, in money if academic progress is unsatisfactory. Loan is not tied to need. Funding: 1972-73, $225,000 for freshmen; 1973-74, $450,000 for freshmen and sophomores. Distribution: Amount of aid not to exceed the average appropriation per full time equivalent student for operating costs at the two and four year public colleges. Restrictions: Available only at institutions whose primary purpose is to provide collegiate or graduate education (Continued next page)	

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VIRGINIA (continued)						and not to provide religious training or theological education.	
WASHINGTON	None	None	None	None	None	(a) Student aid program based on need--students may attend institution of their choice in state. Funding: 1971-1973 $1,376,700. Distribution: 1/3 difference college cost and total family contribution. (b) Tuition supplement program for every undergraduate state resident attending a private institution in state. Funding: 1971-1973 $1.7 million. Distribution: Maximum of $100 per student.	(a) 1971 legislation clarified tax-exempt status of private institution properties and services.
WEST VIRGINIA	None	None	None	None	None	(a) State scholarship program for students who are residents enrolled at approved public or private institutions; based on financial need, character, and academic promise. Funding: 1971-1972 $300,000. Distribution: Minimum of $100 and maximum of $900 per academic year.	None
WISCONSIN	(a) See Column 5 (c) (Dental)	(a) See Column 5 (b) (Medical)	(a) Assistance to American Indian students based on need enrolled in public or private institutions. Funding: 1971-1973 $207,300. Distribution: Maximum of $1,500 per student. (Continued next page)	None	(a) See Column 6 (d) (Student Assist.) (b) Direct annual assistance to the Medical College of Wisconsin (private). Funding: Annually $1,876,500. (Continued next page)	(a) Tuition grant program to offset tuition differences between public and private institutions based on need scaled to taxable family income. Funding: 1971-1973 $5,857,000. (Continued next page)	None

STATE	-1- CONTRACTS	-2- DIRECT INSTITUTIONAL AID	-3- DISADVANTAGED/ MINORITIES	-4- FACILITIES ASSISTANCE/ AUTHORITIES	-5- MEDICAL/ DENTAL/ NURSING	-6- STUDENT ASSISTANCE	-7- OTHER
WISCONSIN (continued)			(b) Talent incentive grants for the disadvantaged identified under the state talent search. Funding: 1971-1973 $335,000. Distribution: Up to $1,000 per student for 500 students.		(c) Contracts to provide dental education to state residents at Marquette University. Funding: 1971-1972* $3,500. Distribution: $3,500 for each resident enrolled.*	Distribution: Maximum award of $900 per year--4 income groups ranging from below $5,000 to a maximum of $12,000. (b) Honor scholarship program awarded to students in top 10% of high school graduating class to attend public or private institutions in state. Funding: 1971-1973 1.4 million. Distribution: Maximum award of $800 based on need. (c) Educational manpower grants, based on need, for students enrolled in courses leading to employment in a critical occupation in the state. Funding: 1971-1973 $560,000. Distribution: Up to $2,000 per undergraduate student, $4,000 per graduate. (d) Tuition reimbursement grants for students enrolled in- or out-of-state institutions in selected professions - major portion of which are in dental education at Marquette. Funding: 1971-1973 $710,000. Distribution: $500 per student. (e) See Column 3(a&b) (disadvantaged/ minorities)	
WYOMING	None	None	None	None	None	None	None

Prepared by Nancy M. Berve, Associate Director, Higher Education Services, Education Commission of the States. SOURCE: A Survey of State Programs of Aid to Independent Colleges and Universities and Their Students, Elden T. Smith, National Council of Independent Colleges and Universities, October, 1971. and later material provided to Carol Shulman. Additional information was derived from 1971 legislative reports from the states and some followup telephone calls to state agencies.

*Provided only as a test case now pending before the state supreme court. If a favorable opinion results, distribution will be as noted.

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